

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

In the Matter of	)	
	)	
Promoting Telehealth and Telemedicine	)	WC Docket No. 17-310
in Rural America	)	
	)	

**REPLY COMMENTS OF NCTA – THE INTERNET & TELEVISION ASSOCIATION**

NCTA – The Internet & Television Association (NCTA) submits these reply comments in response to Wireline Competition Bureau’s public notice seeking additional comment on the rates used to calculate support in the universal service rural health care Telecommunications (Telecom) Program.<sup>1</sup> We agree with GCI Communication Corp. (GCI) that competitive bidding should be used to determine rural rates for services that are subject to competition.<sup>2</sup>

As the Commission acknowledges in this proceeding’s underlying notice of proposed rulemaking, the rural health care Telecom Program “has not been significantly reviewed or revised since its inception in 1997.”<sup>3</sup> As a consequence, neither marketplace developments, such as the proliferation of high-speed, packet-based services offered by a competitive array of providers, nor changes in the Commission’s regulatory approach away from government regulated, tariffed services in favor of market-based offerings and rates, are reflected in the current Telecom Program rules. In determining a rural rate under the program, the rules rely on

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<sup>1</sup> *The Wireline Competition Bureau Seeks Additional Comment on Determining Urban and Rural Rates in the Rural Health Care Program*, WC Docket No. 17-310, Public Notice, DA 18-1226 (Wireline Comp. Bur., Dec. 4, 2018).

<sup>2</sup> Additional Comments of GCI Communication Corp., WC Docket No. 17-310 (Jan. 30, 2019) (GCI Comments).

<sup>3</sup> *Promoting Telehealth in Rural America*, WC Docket No. 17-310, Notice of Proposed Rulemaking and Order, 32 FCC Rcd 10631, 10634, ¶ 4 (2017).

the availability of publicly disclosed tariffed rates,<sup>4</sup> when in fact the vast majority of services have been detariffed. In the alternative, the rules call for rural rates to be subject to a government cost review.<sup>5</sup> The Commission has spent the last twenty plus years moving away from such heavily regulatory, time and labor-intensive rate-setting exercises in favor of competitively set market-based rates. The Commission should do the same in the Telecom Program.

Where services are offered on a competitive basis, the Commission should rely on the competitive bidding process to determine the applicable rural rate. The Commission uses competitive bidding to determine rates or funding levels in many other universal service programs, including the rural health care Healthcare Connect Program, the schools and libraries E-rate program, and high-cost funding under the Connect America Fund. Competitive bidding should similarly be used to set rural rates for competitive services in the Telecom Program, without the need for unworkable, costly, and time-consuming rate comparisons or cost-based rate proceedings.

Respectfully submitted,

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<sup>4</sup> 47 C.F.R. § 54.607(b).

<sup>5</sup> *Id.*